

MEMORANDUM

DATE: March 31, 2015


SUBJECT: Approval and Annual Funding Projections for Implementation of Tronox Settlement for FY2015

FROM: Chip Poalinelli, Tronox NAUM Coordinator, Region 9
Lisa Price, Tronox NAUM Coordinator, Region 6

TO: Clancy Tenley, Assistant Director, Superfund Division, Region 9

THRU: Ben Banipal, Associate Director, Technical and Enforcement Branch, Region 6

SSID Nos.: A6KZ, 099R



I. Introduction

This memorandum documents the proposed assessment and data management activities and associated funding for implementation of the Tronox Settlement (*In re: Tronox Incorporated, et al*, Case No. 09-10156 (Bankruptcy, S.D.N.Y) for fiscal year 2015 (FY2015) and seeks your approval for moving forward with these projects. This memorandum covers both Region 6 and Region 9 activities in FY2015.

II. Background

The Tronox Navajo Area Uranium Mines ("Tronox NAUM") are located primarily in the Grants Mining District in New Mexico and on the Navajo Nation in the Cove Wash area and Eastern Agency. During the January 19-23, 2015, meeting ("January meeting") between the EPA and the Navajo Nation, the EPA proposed the following FY2015 activities: with (1) ASPECT flyover work (Cove Area); (2) Data Management project; (3) Cove Area Regional Assessment at Cove Wash project; (4) EE/CA Section 32 and 33 mines; (5) Quivira finalize EE/CA and interim removal action; (6) Ground Water Assessment in the San Mateo Creek Basin Watershed; (7) Removal Assessment at the Section 35 and 36 mine sites.

III. Approved Activities and Projected Funding for FY2015

The projected contract funding for these projects for FY2015 is based on information currently available and the best estimates of the project team proposing the work to be accomplished at the Tronox NAUMs and the Quivira Mines in FY2015. Estimated contract funding and scope for these project will be further defined during the work plan process.

- a. Aspect flyover work – estimated cost \$100,000 (Region 9);
- b. Data Management project – estimated cost \$200,000 (Region 9);
- c. Cove Area assessment project – estimated contracting costs are \$1,200,000 (Region 9);
- d. EE/CA Section 32 and 33 mines – estimated cost \$200,000 (Region 9);
- e. Quivira ongoing activities - finalizing EE/CA, community involvement, interim removal, and structural testing of the RWPR bridge – estimated cost \$400,000 (Region 9);
- f. Ground Water Assessment in the San Mateo Creek Basin Watershed – estimated contractor cost \$1,400,000 (Region 6); and
- g. Removal Assessment at the Section 35 and 36 Mine Sites – estimated contractor cost \$1,800,000 (Region 6).

Total Projected Funds for FY2015 = \$5,300,000

In addition to the contracting costs summarized above, there will be EPA costs (payroll, travel, expenses, and grants) associated with these projects that will be reported in the Special Account Monthly Tracking Report.

IV. Justification

The activities and amounts noted above are based on an analysis by EPA Region 9 and Region 6 regarding the most urgent tasks to prepare for cleanup of the Tronox NAUM and the Quivira Mine Site, following consultation with the Navajo Nation and coordination with the State of New Mexico.

V. Anticipated Costs and Accounting

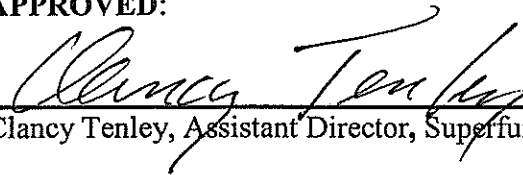
Future costs presented in this “Annual Funding Planning Memo” are estimates. Region 9 and Region 6 will be examining quarterly summaries of expenditures in order to further refine these estimates and determine whether supplemental funding will be needed for their efforts in FY2015. If additional funding is needed in FY2015, the Tronox Coordinators will present a request for approval of supplemental funding, along with a justification and cost estimate. An “Annual Funding Memo” for FY2016 funding will be presented no later than September 30, 2015.

VI. Approval for FY2015 Funding

The EPA Tronox NAUM Coordinators recommend the proposed FY2015 activities and estimated funding for the Tronox NAUM and the Quivira Mine Site Spécial Account as described in Section III.

Please indicate your approval or disapproval on the signature lines provided below. We look forward to responding to any questions or concerns.

APPROVED:



Clancy Tenley, Assistant Director, Superfund Division, Region 9
3/31/15
Date

NOT APPROVED:

Clancy Tenley, Assistant Director, Superfund Division, Region 9
Date